



COUNTY OF LOS ANGELES DEPARTMENT OF HUMAN RESOURCES

579 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-2406 FAX (213) 621-0387

To enrich lives through effective and caring service

MICHAEL J. HENRY
DIRECTOR OF PERSONNEL

October 21, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**RECOMMENDATION TO AWARD CONTRACT TO EMPLOYER'S UNITY, INC.
FOR ADMINISTRATIVE SERVICES FOR UNEMPLOYMENT
INSURANCE CLAIMS
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Chair to sign the attached agreement with Employer's Unity, Inc. (Employer's Unity) as the Third-Party Administrator (TPA) for the provision of administrative services for unemployment insurance claims (Agreement); the term of the Agreement will be five years with two annual renewal options, effective February 1, 2004, upon Board approval, with the Maximum Contract Sum under this Agreement not to exceed \$175,504.00 for the full seven years (\$25,072.00 per year); and authorize the Director of Personnel to extend the Agreement for the two one-year renewal periods.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The existing agreement with Employer's Unity terminates on January 31, 2004. Your Board's approval of the proposed new Agreement with Employer's Unity would provide for continued administration of unemployment insurance claims, beginning February 1, 2004, for the County's departments and special districts employing over 93,600 full-time, part-time and temporary employees.

The County has used a TPA to provide comprehensive unemployment insurance claims administration since January, 1978. Employer's Unity is the current vendor and has successfully administered the County's unemployment insurance claims program since February 1, 1996. Unemployment insurance claims administration includes services in the following areas: cost validation – audit of charges and credits, representation at hearings of the State Unemployment Insurance Appeals Board, record keeping, comprehensive reporting, billing, ad hoc correspondence and conducting training seminars for County human resources personnel.

Unemployment insurance claims administration services must be performed by an outside TPA because the County does not have, and could not develop at reasonable cost, and in a timely basis, the expertise and reporting systems to perform these services. Employer's Unity is a multi-state unemployment insurance administrator that has provided unemployment insurance claims administration services to public agencies and private employers nationwide since 1977.

Implementation of Strategic Plan Goals

The recommended action is consistent with the principles of the Countywide Strategic Plan to promote and maintain organizational effectiveness by administering unemployment insurance benefits in an efficient and effective manner.

FISCAL IMPACT/FINANCING

The Total Maximum Contract Sum for the Agreement shall not exceed \$175,504.00 for seven years. Funding for this contract is provided in the County's Insurance Budget for this Fiscal Year. Funding will be in the Department of Human Resources' budget in future fiscal years. The Agreement has no cost of living adjustments, including the annual renewal options.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

This Agreement, effective February 1, 2004, upon Board approval, will provide TPA administration of unemployment insurance claims to assist the County in meeting its legal responsibilities to extend unemployment compensation benefits to local government employees and to control unemployment insurance claims cost. The Agreement term is five years, through January 31, 2009. The term of this Contract may be extended for two additional one-year periods, through January 31, 2011, at the County's option.

Employer's Unity will continue to maintain the services provided under this Agreement in the areas of claims processing and hearing representation, audit and technical services, billing, comprehensive reporting and training. Over the years, Employer's Unity has sustained a positive track record in providing the County with the necessary information for managing the County's unemployment insurance cost control program. This Agreement includes new performance standards, expanded reporting and response to State audits.

CONTRACTING PROCESS

Employer's Unity was selected through a formal solicitation process. The Department of Human Resources (DHR) prepared and released a Request for Proposals (RFP) on June 13, 2003. The following steps were taken in the RFP process:

- Mailed RFPs to 12 known unemployment insurance claims administration firms and interested individuals.
- Contacted the Office of Affirmative Action Compliance for potential vendors.
- Advertised in the Los Angeles Times, La Opinion, The Sentinel and Asian Weekly newspapers.
- Posted the RFP on the "Doing Business with the County" Website.
- Provided RFPs to four additional firms who requested copies after seeing the newspaper ad and/or viewing the County's Website.

Two proposals were received. One proposal failed to meet the RFP's minimum requirements, and was rejected. The other proposal was submitted by the incumbent vendor, Employer's Unity, whose proposed price was significantly lower than the rejected proposal. Evaluation of the single proposal followed recommended County guidelines and was based upon criteria described in the RFP. This included the proposer's work plan, experience and capabilities and proposed cost. The evaluation process also included a comprehensive review of the proposer's adherence to and acceptance of the County's standard terms and conditions, reference checks and the Auditor-Controller's acknowledgement of financial stability.

The Honorable Board of Supervisors
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The Employer's Unity proposal was fully responsive to the RFP. They have a proven track record of successfully administering the County's unemployment insurance services. Their proposed annual cost for this Agreement is lower than the current contract. County Counsel has approved the contract as to form. We recommend the County enter into the proposed Agreement with Employer's Unity.

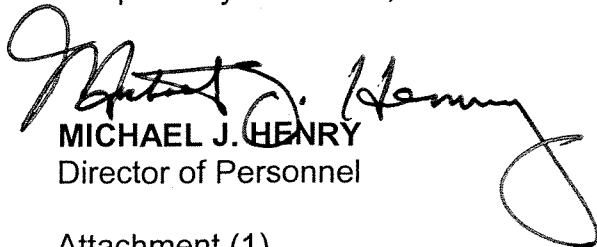
IMPACT ON CURRENT SERVICES

There is no impact on current services. The new Agreement with Employer's Unity provides for the continuation of all existing unemployment insurance claims services.

CONCLUSION

Instruct the Executive Officer, Board of Supervisors to return two signed originals of the Agreement to the Department of Human Resources.

Respectfully submitted,



MICHAEL J. HENRY
Director of Personnel

Attachment (1)

MJH:TJH
MH:EB

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller
Treasurer and Tax Collector

**CONTRACT FOR
ADMINISTRATIVE SERVICES
FOR UNEMPLOYMENT INSURANCE CLAIMS**



**BY AND BETWEEN
THE COUNTY OF LOS ANGELES
AND
EMPLOYER'S UNITY, INC.**

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ADMINISTRATIVE SERVICES FOR UNEMPLOYMENT INSURANCE CLAIMS CONTRACT

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CONTRACT FOR UNEMPLOYMENT INSURANCE CLAIMS ADMINISTRATION SERVICES

THIS CONTRACT is made and entered into as of the Effective Date by and between the COUNTY OF LOS ANGELES, a political subdivision of the State of California (hereinafter referred to as "COUNTY"), and Employer's Unity, Inc., a Colorado corporation (hereinafter referred to as "CONTRACTOR") for unemployment insurance claims administration services (hereinafter referred to as "Services").

RECITALS

WHEREAS, the California Legislature passed legislation to implement the Federal Unemployment Compensation Amendments of 1976 (Public Law No. 94-666), hereinafter called the "Federal Amendments," which require that unemployment compensation benefits be extended to state and local government employees as of January 1, 1978 on penalty of loss of federal tax credits and subsidy funds within California; and

WHEREAS, the COUNTY's current Agreement for administrative services for the unemployment insurance cost control program expires on January 31, 2004; and

WHEREAS, the COUNTY desires a continuation of administrative services for an unemployment insurance cost control program; and

WHEREAS, the CONTRACTOR warrants and represents that it is established and skilled in the field of unemployment cost control; and

WHEREAS, the COUNTY has competitively procured such administrative services; and

WHEREAS, the provisions of Section 31000 of the Government Code of the State of California as well as other applicable law authorize COUNTY to contract for the services herein provided;

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions set forth herein, the parties hereto and each of them do agree as follows:

1.0 APPLICABLE DOCUMENTS

This base document, along with Exhibits A through G, as set forth below and attached hereto and form, and are throughout and hereinafter collectively referred to as, the "Contract." In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between this base document and the Exhibits, or between Exhibits,

such conflict or inconsistency shall be resolved by giving precedence first to this base document, and then to the Exhibits, according to the following priority:

- Exhibit A - Statement of Work
- Exhibit B - Fee Schedule
- Exhibit C.1 - Contractor Employee Acknowledgement,
Confidentiality and Copyright Assignment Agreement
- Exhibit C.2 - Contractor Non-Employee Acknowledgement,
Confidentiality and Copyright Assignment Agreement
- Exhibit D- Contractor's EEO Certification
- Exhibit E - County Administration
- Exhibit F - Contractor's Administration
- Exhibit G - Safely Surrendered Baby Law

This Contract constitutes the complete and exclusive statement of understanding between the parties, and supersedes any and all previous agreement, whether written or oral, and all communications between the parties relating to the subject matter of this Contract. No change to this Contract shall be valid unless prepared pursuant to Section 4.0, "Changes and Amendments," and signed by both parties.

2.0 DEFINITIONS

The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. The following terms and phrases in quotes and with initial letters capitalized shall have the following specific meaning when used in the Contract, as defined in this Section 2.0, throughout and hereinafter:

- 2.1 "Day" or "Days" shall mean calendar day(s), unless otherwise expressly stated.
- 2.2 "Effective Date" shall be February 1, 2004.
- 2.3 "Fiscal Year" shall mean the twelve (12) month period beginning July 1st and ending the following June 30th.

3.0 WORK

- 3.1 Pursuant to the provisions of this Contract, CONTRACTOR shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in the Statement of Work, Exhibit A, attached hereto, and as may be amended from time to time in accordance with Section 4, "Changes and Amendments."

- 3.2 If CONTRACTOR provides any tasks, deliverables, goods, services, or other work, other than as specified in this Contract, the same shall be deemed to be a gratuitous effort on the part of CONTRACTOR, and CONTRACTOR shall have no claim whatsoever against COUNTY.
- 3.3 CONTRACTOR agrees that the performance of work and services pursuant to the requirements of this Contract shall conform to high professional standards as exist in CONTRACTOR'S profession or field of practice.

4.0 CHANGES AND AMENDMENTS

- 4.1 COUNTY reserves the right to initiate change to any portion of the work required under this Contract and to any other provisions of this Contract. All such changes shall be accomplished only as provided in this Section 4.0.
- 4.2 For any change which does not affect the scope of work, term, Contract Sum, and/or any term or condition of this Agreement, a Change Notice shall be prepared and executed by COUNTY'S Contract Administrator (CCA) and CONTRACTOR; except that:
- 4.2.1. COUNTY'S Director of Personnel, or designee, may, at his/her sole discretion, authorize extensions of time as defined in Section 7.0, "Term." CONTRACTOR agrees that such extensions of time shall not change any other term or condition of this Contract during the period of such extensions.
- 4.2.2 COUNTY'S Director of Personnel is expressly authorized to change the specific conditions as set forth in the Statement of Work, Exhibit A, via Change Notice.
- 4.3 COUNTY'S Board of Supervisors or Chief Administrative Officer or designee may require the addition and/or change of certain terms and conditions in the Contract during the term of this Contract. COUNTY reserves the right to add and/or change such provisions as required by COUNTY'S Board of Supervisors or Chief Administrative Officer. To implement such orders, an Amendment to the Contract shall be prepared and executed by CONTRACTOR and by the Director of Personnel.
- 4.4 Except as elsewhere specified in this Contract, for any change which affects the scope of work, period of performance, Contract Sum, or any condition or obligation of this Agreement, a negotiated written Amendment to this Contract shall be prepared and executed by COUNTY'S Board of Supervisors and CONTRACTOR'S authorized representative.

5.0 ADMINISTRATION OF CONTRACT – COUNTY

A listing of all COUNTY Administration referenced in the following Subparagraphs are designated in Exhibit E (County Administration). COUNTY shall notify CONTRACTOR in writing of any change in the names or addresses shown.

5.1 COUNTY'S Contract Administrator

The Director of Personnel, or his designee, referred to as COUNTY Contract Administrator ("CCA"), shall administer this Agreement on behalf of COUNTY. The CCA shall be responsible for ensuring that the objectives of this Agreement are met and determining CONTRACTOR'S compliance with the Contract. The CCA shall interface with the Contract Manager representing CONTRACTOR, but is not authorized to make changes in the terms and conditions of this Contract. The CCA shall provide overall direction and coordination of the Agreement. The CCA shall also provide information to CONTRACTOR in areas relating to policy, program information and procedural requirements.

5.2 COUNTY'S Project Manager

The responsibilities of COUNTY'S Project Manager include:

- 5.2.1 Meeting with CONTRACTOR'S Project Manager on a regular basis; and
- 5.2.2 Inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of CONTRACTOR.

COUNTY'S Project Manager is not authorized to make any changes in any of the terms and conditions of this Contract and is not authorized to further obligate COUNTY in any respect whatsoever.

6.0 ADMINISTRATION OF CONTRACT – CONTRACTOR

A listing of all CONTRACTOR Administration referenced in the following Subparagraphs are designated in Exhibit F (Contractor's Administration). CONTRACTOR shall inform COUNTY in writing of the names, addresses, and telephone numbers of the individuals designated to act as Contract Manager and alternate at the time the Agreement is implemented and as changes occur during the term of the Contract.

6.1 CONTRACTOR'S Contract Manager

CONTRACTOR'S Contract Manager shall be a full-time employee of CONTRACTOR, and have full authority to act on behalf of CONTRACTOR in all matters relating to the daily operation of this Agreement. CONTRACTOR'S Contract Manager shall be available on a daily basis to meet with DHR personnel regarding the operation of the Contract. CONTRACTOR shall provide the COUNTY with telephone access to the CONTRACTOR'S Contract Manager during all hours, 365 days per year.

6.2 CONTRACTOR'S Project Manager

CONTRACTOR'S Project Manager shall be responsible for CONTRACTOR'S day-to-day activities as related to this Contract and shall coordinate with COUNTY'S Project Manager on a regular basis.

6.3 Approval of CONTRACTOR'S Staff

COUNTY has the absolute right to approve or disapprove all of CONTRACTOR'S staff performing work hereunder and any proposed changes in CONTRACTOR'S staff, including, but not limited to, CONTRACTOR'S Project Manager.

6.4 Confidentiality

CONTRACTOR shall maintain the confidentiality of all records obtained from COUNTY under this Contract in accordance with all applicable federal, State or local laws, ordinances, regulations and directives relating to confidentiality.

CONTRACTOR shall inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality provisions of this Contract. CONTRACTOR shall cause each employee performing services covered by this Contract to sign and adhere to the "Contractor Employee Acknowledgment, Confidentiality, and Copyright Assignment Agreement," Exhibit C.1.

CONTRACTOR shall cause each non-employee performing services covered by this Contract to sign and adhere to the "Contractor Non-Employee Acknowledgment, Confidentiality, and Copyright Assignment Agreement," Exhibit C.2.

7.0 TERM

- 7.1 The Contract shall commence after execution by the Board of Supervisors, for a five (5) year term beginning February 1, 2004 (the "Effective Date") through January 31, 2009, unless otherwise terminated or extended, in whole or in part, as provided in this Contract.
- 7.2 COUNTY shall have the option to extend the Contract term for up to two additional one-year periods beyond January 31, 2009, for a maximum total Contract term of seven (7) years. Each such option year shall be exercised individually by the Director of Personnel.
- 7.3 CONTRACTOR shall notify CCA when this Contract is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, CONTRACTOR shall send written notification to DHR at the address herein provided in Exhibit E.

7.4 Completion of Contract

Upon expiration or termination of the Contract, CONTRACTOR shall fully cooperate with COUNTY to provide for the transition to whatever service replacement method COUNTY determines to be in its best interest.

For two months prior to the expiration of the Contract, in addition to the other contract requirements, CONTRACTOR shall provide the consulting services of the Contract Manager and Quality Control Supervisors for orientation to insure a smooth transition from CONTRACTOR-provided services back to the COUNTY or another vendor. CONTRACTOR shall make reasonable provisions for inspection and observation of work procedures of CONTRACTOR personnel during the transition period. In addition, CONTRACTOR shall explain and return to COUNTY, as requested, all reports, documents, data files and computer systems.

8.0 CONTRACT SUM

- 8.1 The maximum Contract Sum under the term of this contract shall be the total monetary amount payable to CONTRACTOR for all work, services, tasks, and deliverables under this Contract in accordance with the "Proposal Fee Schedule", set forth in Exhibit B, and shall not exceed, One Hundred Seventy Five Thousand Five Hundred Four Dollars (\$175,504.00) for seven (7) years for the entire term of the contract, which includes any extensions on the initial term pursuant to Section 7.2 (Term).
- 8.2 CONTRACTOR shall not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder,

except as specified herein. Assumption or takeover of any of CONTRACTOR'S duties, responsibilities, or obligations, or performance of same by any entity other than CONTRACTOR, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, shall occur only with COUNTY'S express prior written approval.

- 8.3 CONTRACTOR shall maintain a system of record keeping that will allow CONTRACTOR to determine when it has incurred seventy-five percent (75%) of the total contract authorization under this Contract. Upon occurrence of this event, CONTRACTOR shall send written notification to COUNTY at the address herein provided in Exhibit E.

8.4 **No Payment for Services Provided Following Expiration/Termination of Agreement**

CONTRACTOR shall have no claim against COUNTY for payment of any money or reimbursement, of any kind whatsoever, for any service provided by CONTRACTOR after the expiration or other termination of this Agreement. Should CONTRACTOR receive any such payment it shall immediately notify COUNTY and shall immediately repay all such funds to COUNTY. Payment by COUNTY for services rendered after expiration/termination of this Agreement shall not constitute a waiver of COUNTY'S right to recover such payment from CONTRACTOR. This provision shall survive the expiration or other termination of this Agreement.

8.5 **Invoices and Payments**

- 8.5.1 CONTRACTOR shall invoice COUNTY only for providing the tasks, deliverables, goods, services, and other work specified in Exhibit A (Statement of Work), and elsewhere hereunder. CONTRACTOR shall prepare invoices, which shall include the charges owed to CONTRACTOR by COUNTY under the terms of this Contract. CONTRACTOR'S payments shall be as provided in Exhibit B (Fee Schedule).
- 8.5.2 CONTRACTOR'S invoices shall be priced in accordance with Exhibit B (Fee Schedule).
- 8.5.3 CONTRACTOR'S invoices shall contain the information set forth in Exhibit A (Statement of Work), describing the tasks, deliverables, goods, services, work hours, and facility and/or other work for which payment is claimed.
- 8.5.4 CONTRACTOR shall invoice COUNTY in arrears for all services and materials provided under this Agreement. CONTRACTOR

shall submit the monthly invoices to COUNTY by the 15th calendar day of the month following the month of service.

- 8.5.5 All invoices under this Contract shall be submitted in two (2) copies to the following address:

Mr. James P. Ross
Department of Human Resources
3333 Wilshire Blvd., 10th Floor
Los Angeles, CA 90010

8.5.6 **COUNTY Approval of Invoices**

All invoices submitted by CONTRACTOR for payment must have the written approval of COUNTY'S Project Manager prior to any payment thereof. In no event shall COUNTY be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld, and in no instance will such approval take more than two (2) weeks from receipt of properly prepared invoices by COUNTY.

- 8.5.7 The CCA will report in writing any invoice discrepancies to CONTRACTOR within fifteen (15) business days. CONTRACTOR shall review the disputed charges and send a written explanation detailing the basis for the charges within fifteen (15) business days of receipt of CCA's written report. If CCA does not receive a written explanation from CONTRACTOR within the fifteen (15) day period, it shall be implied that CONTRACTOR is not disputing the amended charges. COUNTY, at its sole discretion, shall determine if payment will be made based upon the written explanation.

9.0 **FACSIMILE REPRESENTATIONS FOR CHANGE NOTICES**

For purposes of Change Notices only, the COUNTY and CONTRACTOR hereby agree to regard facsimile representations of original signature of authorized officers of each party, when appearing in appropriate places on the Change Notices prepared pursuant to Section 4.0, "Changes and Amendments," and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Change Notices, such that the parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of "original" versions of such documents.

10.0 **GRATUITOUS WORK**

CONTRACTOR agrees that should work or services, other than those set forth in Exhibit A, Statement of Work, be performed without the prior written modification

of this Agreement in accordance with Section 4.0, "Changes and Amendments", they are deemed gratuitous and CONTRACTOR shall have no claim therefore.

11.0 ASSIGNMENT AND DELEGATION

11.1 CONTRACTOR shall not assign its rights or delegate its duties under this Contract, or both, either in whole or in part, without the prior written consent of COUNTY. Any unapproved assignment or delegation shall be null and void. Any payments by COUNTY to any approved delegate or assignee on any claim under this Contract shall be deductible, at COUNTY's sole discretion, against the claims, which CONTRACTOR may have against COUNTY.

11.2 If any assumption, assignment, delegation, or takeover of any of CONTRACTOR'S duties, responsibilities, obligations, or performance of same by any entity other than CONTRACTOR, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without COUNTY's express prior written approval, may result in the termination of this Contract.

12.0 BUDGET REDUCTIONS

In the event that COUNTY'S Board adopts, in any fiscal year, a COUNTY Budget which provides for reductions in the salaries and benefits paid to the majority of COUNTY employees and imposes similar reductions with respect to COUNTY Contracts, COUNTY reserves the right to reduce its payment obligation correspondingly for that fiscal year and any subsequent fiscal year services provided by CONTRACTOR under the Contract. COUNTY'S notice to CONTRACTOR regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. CONTRACTOR shall continue to provide all of the services set forth in the Contract.

13.0 COMPLIANCE WITH APPLICABLE LAW

13.1 CONTRACTOR shall comply with all applicable Federal, State, and local laws, rules, regulations, ordinances, and directives (including but not limited to the Health Insurance Portability and Accountability Act – HIPAA), and all provisions required thereby to be included in this Contract are hereby incorporated herein by reference.

13.2 CONTRACTOR shall indemnify, defend, and hold harmless COUNTY from and against any and all liability, including but not limited to damages, costs, and expenses, including, but not limited to, defense costs and attorneys' fees, arising from or related to any violation on the part of

CONTRACTOR or its employees, agents, or subcontractors of any such laws, rules, regulations, ordinances, or directives.

14.0 COMPLIANCE WITH CIVIL RIGHTS LAWS

CONTRACTOR hereby assures that it will comply with Subchapter VII of the Civil Rights Act of 1964, 42 USC Section 2000(e) (1) through 2000(e) (17), to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract. CONTRACTOR shall comply with Exhibit D, "CONTRACTOR'S EEO Certification."

15.0 CONFLICT OF INTEREST

15.1 No COUNTY employee whose position with COUNTY enables such employee to influence the award of this Contract or any competing Contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by CONTRACTOR or have any other direct or indirect financial interest in this Contract. No officer or employee of CONTRACTOR who may financially benefit from the performance of work hereunder shall in any way participate in COUNTY'S approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence COUNTY'S approval or ongoing evaluation of such work.

15.2 CONTRACTOR shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Contract. CONTRACTOR warrants that it is not now aware of any facts that create a conflict of interest. If CONTRACTOR hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to COUNTY. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances.

16.0 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF/OR RE-EMPLOYMENT LIST

Should CONTRACTOR require additional or replacement personnel after the effective date of this Contract to perform the services set forth herein, CONTRACTOR shall give first consideration for such employment openings to qualified, permanent COUNTY employees who are targeted for layoff or qualified, former COUNTY employees who are on a re-employment list during the life of this Contract.

17.0 CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS

Should CONTRACTOR require additional or replacement personnel after the effective date of this Contract, CONTRACTOR shall give consideration for any such employment openings to participants in COUNTY'S Department of public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet CONTRACTOR'S minimum qualifications for the open position. For this purpose, consideration shall mean that CONTRACTOR will interview qualified candidates. COUNTY will refer GAIN/GROW participants by job category to CONTRACTOR.

In the event that both laid-off COUNTY employees and GAIN/GROW participants are available for hiring, COUNTY employees shall be given first priority.

18.0 CONTRACTOR RESPONSIBILITY AND DEBARMENT

18.1 Responsible Contractor

A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the Contract. It is COUNTY'S policy to conduct business only with responsible Contractors.

18.2 Chapter 2.202 of COUNTY Code

CONTRACTOR is hereby notified that, in accordance with Chapter 2.202 of COUNTY Code, if COUNTY acquires information concerning the performance of CONTRACTOR on this or other Contracts which indicates that CONTRACTOR is not responsible, COUNTY may, in addition to other remedies provided in the Contract, debar CONTRACTOR from bidding on COUNTY contracts for a specified period of time not to exceed three (3) years, and terminate any or all existing Contracts CONTRACTOR may have with COUNTY.

18.3 Non-Responsible Contractor

COUNTY may debar a Contractor if the Board finds, in its discretion, that CONTRACTOR has done any of the following: (1) violated any term of a Contract with COUNTY, (2) committed any act or omission which negatively reflects on CONTRACTOR'S quality, fitness or capacity to perform a Contract with COUNTY or any other public entity, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against COUNTY or any other public entity.

18.4 Contractor Hearing Board

If there is evidence that CONTRACTOR may be subject to debarment, COUNTY will notify CONTRACTOR in writing of the evidence that is the basis for the proposed debarment and will advise CONTRACTOR of the scheduled date for a debarment hearing before CONTRACTOR Hearing Board.

CONTRACTOR Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The CONTRACTOR and/or CONTRACTOR'S representative shall be given an opportunity to submit evidence at that hearing. After the hearing, CONTRACTOR Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether CONTRACTOR should be debarred, and, if so, the appropriate length of time of the debarment. If CONTRACTOR fails to avail itself of the opportunity to submit evidence to CONTRACTOR Hearing Board, CONTRACTOR may be deemed to have waived all rights of appeal.

A record of the hearing, the proposed decision, and any other recommendation of CONTRACTOR Hearing Board shall be presented to the Board. The Board shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Hearing Board.

18.5 Subcontractors of Contractor

These terms shall also apply to Subcontractors of COUNTY Contractors.

19.0 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT

CONTRACTOR acknowledges that COUNTY places a high priority on the enforcement of child support laws and the apprehension of child support evaders. CONTRACTOR understands that it is COUNTY'S policy to encourage all COUNTY Contractors to voluntarily post COUNTY'S "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at CONTRACTOR'S place of business. COUNTY'S Child Support Services Department will supply CONTRACTOR with the poster to be used.

20.0 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

20.1 CONTRACTOR acknowledges that COUNTY has established a goal of ensuring that all individuals who benefit financially from COUNTY through Purchase Order or Contract are in compliance with their court-ordered

child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon COUNTY and its taxpayers.

- 20.2 As required by COUNTY'S Child Support Compliance Program (COUNTY Code Chapter 2.200) and without limiting CONTRACTOR'S duty under this Contract to comply with all applicable provisions of law, CONTRACTOR warrants that it is now in compliance and shall during the term of this Contract maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

21.0 COUNTY OF LOS ANGELES' QUALITY ASSURANCE PLAN

COUNTY or its agent will evaluate CONTRACTOR'S performance under this Contract on not less than an annual basis. Such evaluation will include assessing CONTRACTOR'S compliance with all Contract terms and conditions and performance standards. CONTRACTOR deficiencies which COUNTY determines are severe or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the Board. The report will include improvement/corrective action measures taken by COUNTY and CONTRACTOR. If improvement does not occur consistent with the corrective action measures, COUNTY may terminate this contract or impose other penalties as specified in this Contract.

22.0 EMPLOYMENT ELIGIBILITY VERIFICATION

CONTRACTOR warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. CONTRACTOR shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. CONTRACTOR shall retain all such documentation for all covered employees for the period prescribed by law. CONTRACTOR shall indemnify, defend, and hold harmless, COUNTY, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against CONTRACTOR or COUNTY or both in connection with any alleged violation of any Federal or State statutes or

regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

23.0 FAIR LABOR STANDARDS

CONTRACTOR shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless COUNTY and its agents, officers, and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by CONTRACTOR'S employees for which COUNTY may be found jointly or solely liable.

24.0 GOVERNING LAW, JURISDICTION, AND VENUE

This Contract shall be governed by, and construed in accordance with, the laws of the State of California. CONTRACTOR agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Contract and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

25.0 REPORTS AND RECORDS

Upon expiration of this Agreement, or in the event of cancellation, on the demand of the COUNTY, all documents, reports, records, case files, correspondence and work product relating to CONTRACTOR'S operations under this Agreement shall be returned to the COUNTY or to such other location in COUNTY as the COUNTY may direct. It is understood that all of the materials described above are the property of COUNTY and not of CONTRACTOR herein.

26.0 INDEPENDENT CONTRACTOR STATUS

- 26.1 This Contract is by and between COUNTY and CONTRACTOR and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between COUNTY and CONTRACTOR. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever. CONTRACTOR is, and shall perform under this Contract as, an independent contractor.
- 26.2 CONTRACTOR shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract all compensation and benefits. COUNTY shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other

compensation, benefits, or taxes for any personnel provided by or on behalf of CONTRACTOR.

26.3 CONTRACTOR understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of CONTRACTOR and not employees of COUNTY. CONTRACTOR shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of CONTRACTOR pursuant to this Contract.

27.0 INDEMNIFICATION

CONTRACTOR shall indemnify, defend and hold harmless COUNTY, its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with CONTRACTOR'S acts and/or omissions arising from and/or relating to this Contract.

28.0 GENERAL INSURANCE REQUIREMENTS

Without limiting CONTRACTOR'S indemnification of COUNTY and during the term of this Contract, CONTRACTOR shall provide and maintain, and shall require all of its subcontractors to maintain, the following programs of insurance specified in this Contract. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by COUNTY. Such coverage shall be provided and maintained at CONTRACTOR'S own expense.

28.1 Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to COUNTY shall be delivered prior to commencing services under this Contract to:

James P. Ross
Department of Human Resources
3333 Wilshire Blvd., Suite 1000
Los Angeles, CA 90010

Such certificates or other evidence shall:

28.1.1 Specifically identify this Contract;

28.1.2 Clearly evidence all coverages required in this Contract;

- 28.1.3** Contain the express condition that COUNTY is to be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance.
- 28.1.4** Include copies of the additional insured endorsement to the commercial general liability policy, adding COUNTY of Los Angeles, its Special Districts, its officials, officers and employees as insureds for all activities arising from this Contract; and
- 28.1.5** Identify any deductibles or self-insured retentions for COUNTY'S approval. COUNTY retains the right to require CONTRACTOR to reduce or eliminate such deductibles or self-insured retentions as they apply to COUNTY, or, require CONTRACTOR to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims, administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.
- 28.1.6 Insurer Financial Ratings:** Insurance is to be provided by an insurance company acceptable to COUNTY with an A.M. Best rating of not less than A:VII unless otherwise approved by COUNTY.
- 28.1.7 Failure to Maintain Coverage:** Failure by CONTRACTOR to maintain the required insurance, or to provide evidence of insurance coverage acceptable to COUNTY, shall constitute a material breach of the contract upon which COUNTY may immediately terminate or suspend this Contract. COUNTY, at its sole option, may obtain damages from CONTRACTOR resulting from said breach. Alternatively, COUNTY may purchase such required insurance coverage, and without further notice to CONTRACTOR, COUNTY may deduct from sums due to CONTRACTOR any premium costs advanced by COUNTY for such insurance.
- 28.1.8 Notification of Incidents, Claims or Suits:** CONTRACTOR shall report to COUNTY:
- 28.1.8.1** Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against CONTRACTOR and/or COUNTY. Such report shall be made in writing within twenty four (24) hours of occurrence.

28.1.8.2 Any third party claim or lawsuit filed against CONTRACTOR arising from or related to services performed by CONTRACTOR under this Agreement.

28.1.8.3 Any injury to a CONTRACTOR employee which occurs on COUNTY property. This report shall be submitted on a COUNTY "Non-employee Injury Report" to COUNTY contract manager.

28.1.8.4 Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of COUNTY property, monies or securities entrusted to CONTRACTOR under the terms of this Agreement.

28.1.9 Compensation for COUNTY Costs

In the event that CONTRACTOR fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to COUNTY, CONTRACTOR shall pay full compensation for all costs incurred by COUNTY. Nothing in this Section 28.1.9 is intended to, nor shall, limit any of the COUNTY's rights and/or remedies.

28.1.10 Insurance Coverage Requirements for Sub-Contractors

CONTRACTOR shall ensure any and all sub-contractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

28.1.10.1 CONTRACTOR providing evidence of insurance covering the activities of sub-contractor, or

28.1.10.2 CONTRACTOR providing evidence submitted by sub-contractors evidencing that sub-contractors maintain the required insurance coverage. COUNTY retains the right to obtain copies of evidence of sub-contractor insurance coverage at any time.

29.0 INSURANCE COVERAGE REQUIREMENTS

29.1 **General Liability** insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million

Each Occurrence:

\$1 million

- 29.2 **Automobile Liability** insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all "owned," "hired," and "non-owned" vehicles, or coverage for "any auto."
- 29.3 **Workers' Compensation and Employers' Liability** insurance providing workers' compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which CONTRACTOR is responsible. If CONTRACTOR's employees will be engaged in maritime employment, coverage shall provide workers' compensation benefits as required by the U. S. Longshore and Harbor Workers' Compensation Act, Jones Act or any other federal law for which CONTRACTOR is responsible. In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

- 29.4 **Professional Liability** insurance covering liability arising from any error, omission, negligent or wrongful act of CONTRACTOR, its officers or employees with limits of not less than \$1 million per occurrence and \$3 million aggregate. The coverage also shall provide an extended two-year reporting period commencing upon termination or cancellation of this Agreement.
- 29.5 **Crime Coverage** Insurance with limits in amounts not less than indicated below covering against loss of money, securities, or other property referred to in this Agreement, and naming COUNTY as loss payee.

Employee Dishonesty:	\$ 1 million
Forgery or Alteration:	\$ 1 million
Theft, Disappearance and Destruction:	\$ 1 million
Computer Fraud:	\$ 1 million
Burglary and Robbery:	\$ 1 million

30.0 **PERFORMANCE SECURITY REQUIREMENTS**

Such surety may be provided by one of the following forms and conditioned upon faithful performance and satisfactory completion of services by CONTRACTOR.

30.1 Performance Bond

A faithful performance bond in an amount equal to 100% of the Annual Agreement award amount and executed by a corporate surety licensed to transact business in the State of California, or,

30.2 Certificate of Deposit (CD) or Letter of Credit (LOC)

A CD or an irrevocable LOC payable to COUNTY upon demand in an amount not less than \$100,000. Such CD or LOC shall comply with minimum criteria and standards established by COUNTY and be maintained throughout the term of the Agreement.

31.0 NON EXCLUSIVITY

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with CONTRACTOR. This Contract shall not restrict COUNTY from acquiring similar, equal or like goods and/or services from other entities or sources.

32.0 SUBCONTRACTING

32.1 No requirements of this Agreement may be subcontracted by CONTRACTOR without the advance written approval of COUNTY as provided in this Section 32.0. Any attempt by CONTRACTOR to subcontract without the prior consent of COUNTY may be deemed a material breach of this Agreement.

32.2 If CONTRACTOR desires to subcontract, CONTRACTOR shall provide the following information promptly at COUNTY'S request:

32.2.1 A description of the work to be performed by the subcontractor.

32.2.2 A draft copy of the proposed subcontract, which must contain, at a minimum, all provisions of this Agreement.

32.3.3 Other pertinent information and/or certifications requested by COUNTY.

32.3 CONTRACTOR shall indemnify, defend, and hold harmless the COUNTY from and against any and all liability with respect to the activities of each and every subcontractor in the same manner and to the same degree as if such subcontractor(s) were CONTRACTOR employees.

32.4 CONTRACTOR shall remain fully responsible for all performances required of it under this Agreement, including those which CONTRACTOR

has determined to subcontract, notwithstanding COUNTY'S approval of CONTRACTOR'S proposed subcontract.

- 32.5 COUNTY'S consent to subcontract shall not waive COUNTY'S right to prior and continuing approval of any and all personnel, including subcontractor employees, providing services under this Agreement. CONTRACTOR is responsible to notify its subcontractors of this COUNTY right.
- 32.6 The CCA or his designee is authorized to act for and on behalf of COUNTY with respect to approval of any subcontracting and subcontractor employees.
- 32.7 CONTRACTOR shall be solely liable and responsible for all payments or other compensation to all subcontractors and their officers, employees, agent, and successors in interest arising through services performed hereunder, notwithstanding COUNTY'S consent to subcontract.
- 32.8 CONTRACTOR a fully executed copy of each subcontract entered into by CONTRACTOR.
- 32.9 CONTRACTOR shall obtain the following from each approved subcontractor and shall deliver to the Department of Human Resources, Employee Benefits Division, 3333 Wilshire Blvd., Suite 1000, Los Angeles, CA 90010, before any work may be performed under such subcontract:
 - 32.9.1 A fully executed copy of each subcontract entered into by CONTRACTOR;
 - 32.9.2 An executed Subcontractor Employee Acknowledgement and Confidentiality Agreement for each subcontractor employee approved to perform work hereunder; and
 - 32.9.3 Certificates of insurance, which establish that the subcontractor maintains all the programs of insurance required by COUNTY.

33.0 TERMINATION FOR DEFAULT

- 33.1 COUNTY may, by written notice to CONTRACTOR terminate the whole or any part of this Contract, if, in the judgment of COUNTY'S Project Director:
 - 33.1.1 CONTRACTOR has materially breached or failed to comply with provisions of this Contract;

33.1.2 CONTRACTOR fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Contractor; or

33.1.3 CONTRACTOR fails to demonstrate a high probability of timely fulfillment of performance requirements under this Contract, or of any obligations of this Contract and in either case, fails to demonstrate convincing progress toward a cure within five (5) working days (or such longer period as COUNTY may authorize in writing) after receipt of written notice from COUNTY specifying such failure.

33.2 In the event that COUNTY terminates this Contract in whole or in part as provided in Subparagraph 34.1, COUNTY may procure, upon such terms and in such manner as COUNTY may deem appropriate, goods and services similar to those so terminated. CONTRACTOR shall be liable to COUNTY for any and all excess costs incurred by COUNTY, as determined by COUNTY, for such similar goods and services. CONTRACTOR shall continue the performance of this Contract to the extent not terminated under the provisions of this sub-paragraph.

33.3 Except with respect to defaults of any subcontractor, CONTRACTOR shall not be liable for any such excess costs of the type identified in Subparagraph 34.2 if its failure to perform this Contract arises out of causes beyond the control and without the fault or negligence of CONTRACTOR. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of COUNTY in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather' but in every case, the failure to perform must be beyond the control and without the fault or negligence of CONTRACTOR. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both CONTRACTOR and subcontractor, and without the fault or negligence of either of them, CONTRACTOR shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit CONTRACTOR to meet the required performance schedule. As used in this Subparagraph 34.3, the terms "subcontractor" and "subcontractors" mean subcontractor(s) at any tier.

34.0 TERMINATION FOR INSOLVENCY

34.1 COUNTY may cancel forthwith this Agreement in the event or the occurrence of any of the following:

- 34.1.1 Insolvency of CONTRACTOR. CONTRACTOR shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not CONTRACTOR is insolvent within the meaning of the Federal Bankruptcy Code;
- 34.1.2 The filing of a voluntary or involuntary petition regarding CONTRACTOR under the Federal Bankruptcy Code;
- 34.1.3 The appointment of a Receiver or Trustee for CONTRACTOR; or
- 34.1.4 The execution by CONTRACTOR of a general assignment for the benefit of creditors.
- 34.2 The rights and remedies of COUNTY provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

35.0 TERMINATION FOR CONVENIENCE

- 35.1 This Contract may be terminated, in whole or in part, from time to time, when such action is deemed by COUNTY, in its sole discretion, to be in its best interest. Termination of work hereunder shall be effected by notice of termination to CONTRACTOR specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than ten (10) calendar days after the notice is sent.
- 35.2 After receipt of a notice of termination and except as otherwise directed by COUNTY, CONTRACTOR shall:
 - 35.2.1 Stop work under this Contract on the date and to the extent specified in such notice, and
 - 35.2.2 Complete performance of such part of the work as shall not have been terminated by such notice.
- 35.3 After receipt of a notice of termination, CONTRACTOR shall submit to COUNTY, in the form and with any certifications as may be prescribed by COUNTY, CONTRACTOR'S claim and invoice. Such claim and invoice shall be submitted promptly, no later than thirty (30) calendar days from the effective date of termination.

36.0 TERMINATION FOR IMPROPER CONSIDERATION

- 36.1 COUNTY may, by written notice to CONTRACTOR, immediately terminate the right of CONTRACTOR to proceed under this Contract if it is found that consideration, in any form, was offered or given by CONTRACTOR, either directly or through an intermediary, to any COUNTY officer, employee, or agent with the intent of securing this Contract or securing favorable treatment with respect to the award, amendment, or extension of this Contract or the making of any determinations with respect to CONTRACTOR'S performance pursuant to this Contract. In the event of such termination, COUNTY shall be entitled to pursue the same remedies against CONTRACTOR as it could pursue in the event of default by CONTRACTOR.
- 36.2 CONTRACTOR shall immediately report any attempt by a COUNTY officer or employee to solicit such improper consideration. The report shall be made either to COUNTY manager charged with the supervision of the employee or to COUNTY Auditor-Controller's Employee Fraud Hotline at (626) 293-1413 or (800) 544-6861.
- 36.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

37.0 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE

CONTRACTOR, and each COUNTY lobbyist or COUNTY Lobbying firm as defined in COUNTY Code Section 2.160.010 retained by CONTRACTOR, shall fully comply with COUNTY'S Lobbyist Ordinance, COUNTY Code Chapter 2.160. Failure on the part of CONTRACTOR or any COUNTY Lobbyist or COUNTY Lobbying firm retained by CONTRACTOR to fully comply with COUNTY'S Lobbyist Ordinance shall constitute a material breach of this Contract, upon which COUNTY may, in its sole discretion, immediately terminate or suspend this Contract.

38.0 TERMINATION FOR NON-APPROPRIATION OF FUNDS

Notwithstanding any other provision of this Contract, COUNTY shall not be obligated for CONTRACTOR'S performance hereunder or by any provision of this Contract during any of COUNTY'S future fiscal years unless and until COUNTY'S Board of Supervisors appropriates funds for this Contract in COUNTY'S Budget for each such future fiscal year. In the event that funds are not appropriated for this Contract, then this Contract shall terminate as of June 30 of the last fiscal year for which funds were appropriated. COUNTY shall notify

CONTRACTOR in writing of any such non-allocation of funds at the earliest possible date.

39.0 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN CHILD SUPPORT COMPLIANCE

Failure of CONTRACTOR to maintain compliance with the requirements set forth in Paragraph 20.0, "CONTRACTOR'S Warranty of Adherence to COUNTY'S Child Support Compliance Program", shall constitute a default by CONTRACTOR under this Contract. Without limiting the rights and remedies available to COUNTY under any other provision of this Contract, failure to cure such default within 90 days of notice by the COUNTY Child Support Services shall be grounds upon which the Board of Supervisors may terminate this Contract pursuant to Paragraph 33.0, "Termination for Default".

40.0 NONDISCRIMINATION AND AFFIRMATIVE ACTION

CONTRACTOR certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

41.0 MOST FAVORED PUBLIC ENTITY

If CONTRACTOR'S prices decline, or should CONTRACTOR, at any time during the term of this Contract, provide the same goods or services under similar quantity and delivery conditions to the State of California or any COUNTY, municipality, or district of the State at prices below those set forth in this Contract, then such lower prices shall be immediately extended to COUNTY.

42.0 WARRANTY AGAINST CONTINGENT FEES

42.1 CONTRACTOR warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial selling agencies maintained by CONTRACTOR for the purpose of securing business.

42.2 For breach of this warranty, COUNTY shall have the right to terminate this Contract and, at its sole discretion, deduct from the Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

43.0 NOTICES

All notices or demands required or permitted to be given or made under this Contract shall be in writing and shall be hand delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the parties at the following addresses:

To COUNTY:

Director of Personnel
Department of Human Resources
579 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

To CONTRACTOR:

Employer's Unity, Inc.
307 South Main Street
Broken Arrow, Oklahoma 74012
Attn: Mr. Gary Passoni
Regional Vice President

Addresses may be changed by either party by giving written notice thereof to the other party. The Director of Personnel shall have the authority to issue all notices or demands required or permitted by COUNTY under this Contract.

44.0 OWNERSHIP OF MATERIALS, SOFTWARE AND COPYRIGHT

44.1 COUNTY shall be the sole owner of all right, title and interest, including copyright, in and to all software, plans, diagrams, facilities, and tools (hereafter "COUNTY Materials") which are originated or created through CONTRACTOR'S work pursuant to this Contract. CONTRACTOR, for valuable consideration herein provided, shall execute all documents necessary to assign and transfer to, and vest in COUNTY all CONTRACTOR'S right, title and interest in and to such original COUNTY Materials, including any copyright, patent and trade secret rights which arise pursuant to CONTRACTOR'S work under this Contract.

44.2 During the term of this Contract and for five (5) years thereafter, CONTRACTOR shall maintain and provide security for all CONTRACTOR'S working papers prepared under this Contract. COUNTY shall have the right to inspect copy and use at any time during and subsequent to the term of this Contract, any and all such working papers and all information contained therein.

- 44.3 Any and all materials, software and tools which are developed or were originally acquired by CONTRACTOR outside the scope of this Contract, which CONTRACTOR desires to use hereunder, and which CONTRACTOR considers to be proprietary or confidential, must be specifically identified by CONTRACTOR to COUNTY'S Project Manager as proprietary or confidential, and shall be plainly and prominently marked by CONTRACTOR as "Proprietary" or "Confidential" on each appropriate page of any document containing such material.
- 44.4 COUNTY will use reasonable means to ensure that CONTRACTOR'S proprietary and/or confidential items are safeguarded and held in confidence. COUNTY agrees not to reproduce, distribute or disclose to non-COUNTY entities any such proprietary and/or confidential items without the prior written consent of CONTRACTOR.
- 44.5 Notwithstanding any other provision of this Contract, COUNTY will not be obligated to CONTRACTOR in any way under subparagraph 45.4 for any of CONTRACTOR'S proprietary and/or confidential items which are not plainly and prominently marked with restrictive legends as required by Subparagraph 45.3 or for any disclosure which COUNTY is required to make under any state or federal law or order of court.
- 44.6 All the rights and obligations of this Paragraph 44.0 shall survive the expiration or termination of this Contract.

45.0 PATENT, COPYRIGHT & TRADE SECRET INDEMNIFICATION

- 45.1 CONTRACTOR shall indemnify, hold harmless and defend COUNTY from and against any and all liability, damages, costs, and expenses, including, but not limited to, defense costs and attorneys' fees, for or by reason of any actual or alleged infringement of any third party's patent or copyright, or any actual or alleged unauthorized trade secret disclosure, arising from or related to the operation and utilization of CONTRACTOR'S work under this Contract. COUNTY shall inform CONTRACTOR as soon as practicable of any claim or action alleging such infringement or unauthorized disclosure, and shall support CONTRACTOR'S defense and settlement thereof.
- 45.2 In the event any equipment, part thereof, or software product becomes the subject of any complaint, claim, or proceeding alleging infringement or unauthorized disclosure, such that COUNTY'S continued use of such item is formally restrained, enjoined, or subjected to a risk of damages, CONTRACTOR, at its sole expense, and providing that COUNTY'S continued use of the system is not materially impeded, shall either:

45.2.1 Procure for COUNTY all rights to continued use of the questioned equipment, part, or software product; or

45.2.2 Replace the questioned equipment, part, or software product with a non-questioned item; or

45.2.3 Modify the questioned equipment, part, or software so that it is free of claims.

45.3 CONTRACTOR shall have no liability if the alleged infringement or unauthorized disclosure is based upon a use of the questioned product, either alone or in combination with other items not supplied by CONTRACTOR, in a manner for which the questioned product was not designed not intended.

46.0 COMPLIANCE WITH JURY SERVICE PROGRAM

46.1 Jury Service Program

This Contract is subject to the provisions of COUNTY'S ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles COUNTY Code.

46.2 Written Employee Jury Service Policy

46.2.1 Unless Contractor has demonstrated to COUNTY'S satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of COUNTY Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of COUNTY Code), Contractor shall have and adhere to a written policy that provides that its employees shall receive from CONTRACTOR, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with CONTRACTOR or that CONTRACTOR deduct from the employee's regular pay the fees received for jury service.

46.2.2 For purposes of this Section, "Contractor" means a person(s), partnership, corporation or other entity which has a contract with COUNTY or a subcontract with a COUNTY contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more COUNTY contracts or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by

COUNTY, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for COUNTY under the Contract, the subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

46.2.3 If Contractor is not required to comply with the Jury Service Program when the Contract commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify COUNTY if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. COUNTY may also require, at any time during the Contract and at its sole discretion, that Contractor demonstrate to COUNTY'S satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program.

46.2.4 CONTRACTOR'S violation of this Section of the contract may constitute a material breach of the Contract. In the event of such material breach, COUNTY may, in its sole discretion, terminate the Contract and/or bar Contractor from the award of future COUNTY contracts for a period of time consistent with the seriousness of the breach.

47.0 NOTICE OF DELAYS

Except as otherwise provided under this Contract, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, that party shall, within one (1) business day, give notice thereof, including any relevant information with respect thereto, to the other party.

48.0 RECORD RETENTION AND INSPECTION/AUDIT SETTLEMENT

CONTRACTOR shall maintain accurate and complete financial records of its activities and operations relating to this Contract in accordance with generally accepted accounting principles. CONTRACTOR shall also maintain accurate and complete employment and other records relating to its performance of this

Contract. CONTRACTOR agrees that COUNTY, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or records relating to this Contract. All such material, including, but not limited to, all financial records, timecards and other employment records, and proprietary data and information, shall be kept and maintained by CONTRACTOR and shall be made available to COUNTY during the term of this Contract and for a period of five (5) years thereafter unless COUNTY'S written permission is given to dispose of any such material prior to such time. All such material shall be maintained by CONTRACTOR at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at COUNTY'S option,

CONTRACTOR shall pay COUNTY for travel, per diem, and other costs incurred by COUNTY to examine, audit, excerpt, copy, or transcribe such material at such other location.

- 48.1 In the event that an audit of CONTRACTOR is conducted specifically regarding this Contract by any Federal or State auditor, or by any auditor or accountant employed by CONTRACTOR or otherwise, then CONTRACTOR shall file a copy of such audit report with the County's Auditor-Controller within thirty (30) days of CONTRACTOR'S receipt thereof, unless otherwise provided by applicable Federal or State law or under this Contract. COUNTY shall make a reasonable effort to maintain the confidentiality of such audit report(s).
- 48.2 Failure on the part of CONTRACTOR to comply with any of the provisions of this Paragraph 48.0 shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract.
- 48.3 If, at any time during the term of this Contract or within five (5) years after the expiration or termination of this Contract, representatives of COUNTY may conduct an audit of CONTRACTOR regarding the work performed under this Contract, and if such audit finds that COUNTY'S dollar liability for any such work is less than payments made by COUNTY to CONTRACTOR, then the difference shall be either: a) repaid by CONTRACTOR to COUNTY by cash payment upon demand or b) at the sole option of the County's Auditor-Controller, deducted from any amounts due to CONTRACTOR from COUNTY, whether under this Contract or otherwise. If such audit finds that COUNTY'S dollar liability for such work is more than the payments made by COUNTY to CONTRACTOR, then the difference shall be paid to CONTRACTOR by COUNTY by cash payment, provided that in no event shall COUNTY'S maximum obligation for this Contract exceed the funds appropriated by COUNTY for the purpose of this Contract.

49.0 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

CONTRACTOR shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles COUNTY, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit G of this Contract and is also available on the Internet at www.babysafela.org for printing purposes.

50.0 CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

CONTRACTOR acknowledges that the COUNTY places a high priority on the implementation of the Safely Surrendered Baby Law. CONTRACTOR understands that it is the COUNTY's policy to encourage all COUNTY CONTRACTORS to voluntarily post the COUNTY's "Safely Surrendered Baby Law" poster in a prominent position at the CONTRACTOR's place of business. CONTRACTOR will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. COUNTY's Department of Children and Family Services will supply the CONTRACTOR with the poster to be used.

51.0 SEVERANCE

If any provision of this Contract or the application thereof to any person, entity, or circumstance is held invalid, the remainder the Contract and the application of such provision to other person, entity, or circumstance shall not be affected, unless the essential purposes of this Contract shall be materially impaired thereby.

52.0 RECYCLED PAPER

Consistent with the Board of Supervisor's policy to reduce the amount of solid waste deposited at COUNTY landfills, CONTRACTOR agrees to use recycled-content paper to the maximum extent possible on the project.

53.0 AUTHORIZATION WARRANTY

CONTRACTOR represents and warrants that the person executing this Contract for CONTRACTOR is an authorized agent who has actual authority to bind CONTRACTOR to each and every term, condition, and obligation of this Contract and that all requirements of CONTRACTOR have been fulfilled to provide such actual authority.

IN WITNESS WHEREOF, Contractor has executed this Contract, or caused it to be duly executed, and COUNTY of Los Angeles, by order of its Board of Supervisors has caused this Contract to be executed on its behalf by the Chair of said Board, and attested by the Executive Officer-Clerk of the Board of Supervisors thereof

COUNTY OF LOS ANGELES

EMPLOYER'S UNITY, INC.
A Colorado Corporation

By _____
Chair, Board of Supervisors

By _____
Steve Thomason
President and CEO

ATTEST:

VIOLET VARONA-LUKENS
Executive Officer-Clerk
Of the Board of Supervisors

By _____

APPROVED AS TO FORM:

LLOYD W. PELLMAN
County Counsel

By _____
John L. Geiger,
Senior Deputy

By _____
Stephen R. Morris,
Principal Deputy

STATEMENT OF WORK

Third Party Administrator (TPA) shall provide all of the work detailed below to the County's Unemployment Insurance Program adopted pursuant to the Federal Unemployment Compensation Amendments of 1976 (Public Law No. 94-666) in accordance with the requirements set forth below.

1.0 SCOPE OF WORK

TRANSITION PLAN FOR ASSUMPTION OF SERVICES FROM CURRENT TPA

- 1.1 The TPA shall provide transitional services prior to the contract beginning date. The TPA shall not receive any fees under this contract until after the County has received the certification described in 1.4 hereunder of this Exhibit A or December 31, 2003, whichever is later;
- 1.2 The TPA shall provide any requested consultation to the County Contract Administrator ("CCA") or his designate during the transition;
- 1.3 The TPA shall accomplish the following tasks during this transition period;
 - 1.3.1 Prepare a Manual of Tasks, Rules and Procedures detailing all of the steps necessary to transition employee records and account. This would include developing relations with the County department responsible for the program.
 - 1.3.2 Establish contacts with appropriate County departments which include the County's Auditor-Controller and the CCA.
 - 1.3.3 Obtain all necessary County and State licenses for doing business in the County as a TPA for the unemployment insurance program.
 - 1.3.4 Hire necessary technical staff.
 - 1.3.5 Establish department master files.
 - 1.3.6 Take receipt of current TPA's participant files (hardcopy, diskette and/or microfiche).
- 1.4 The TPA shall provide the CCA with a written certification indicating that it is able to assume all responsibilities for administering the Program and sign a cooperation statement with the existing TPA;
- 1.5 Establish written and actual routines for handling claims processing.

2.0 RESPONSIBILITIES

2.1 COUNTY

The County will administer the Contract according to Paragraph 2.0 of the Contract. Specific duties will include:

2.1.1 Monitoring the Contractor's performance in the daily operation of this Contract.

2.1.2 Providing direction to the Contractor in areas relating to policy, information and procedural requirements.

2.2 CONTRACTOR

CLAIMS ADMINISTRATION

2.2.1 Contractor shall provide a comprehensive unemployment insurance claims administration service wherein Contractor assumes full responsibility for monitoring all claims received during this and prior contract period for unemployment insurance benefits and ensuring that all necessary protests and/or appeals are made in each case where the payment of unemployment insurance benefits would be illegal or otherwise inappropriate under applicable state law. Specifically, Contractor's tasks shall include, but not be limited to the following:

2.2.2 Contractor shall receive notices of employee separations from County departments on a daily basis. Each such notice shall be indexed and stored in Contractor's office.

2.2.3 In each case where an unemployment insurance benefit claim is filed indicating County as "last employer", County or Contractor shall receive notice of the claim from the State of California Employment Development Department (EDD). Contractor will respond appropriately to the EDD. It is understood that state law imposes certain penalties on employers that provide incorrect or misleading information in response to these notices. Therefore, if the information provided by County and/or its departments on any separation form is unclear or otherwise inadequate, Contractor shall contact appropriate County department and thoroughly review the separation incident prior to responding to the claim.

- 2.2.4 Contractor shall serve as principal contact for purpose of all further communication with the EDD and request clarification of information provided as described in Section 2.1.2 above, or request additional information. Contractor shall receive such requests directly from that agency and shall respond appropriately on County's behalf.
- 2.2.5 In each case where Contractor has provided a response to claim notice, Contractor shall receive notice of a claim determination directly from the EDD. Contractor shall review such determination and, if it is adverse to County's interest, shall perform further factual investigation as warranted. The findings of such investigation shall be reviewed by Contractor and if there is a sufficient basis for appealing the claimant's separation or application or interpretation by the EDD, the determination shall be appealed and a hearing on the matter shall be requested by Contractor. Notwithstanding the foregoing, County Contract Administrator ("CCA") reserves the right to direct Contractor, without cause, to appeal, or halt the appeal, of any claim. After requesting a hearing as described above, Contractor shall receive notice of the date and time of such hearing directly from the EDD.
- 2.2.6 Contractor shall, again, review all pertinent material and shall contact appropriate County personnel to further review the case. Contractor shall identify material (usually personnel files, notices of warnings, etc.) that will be required as evidence at the hearing and shall make appropriate recommendations regarding the provision of County witnesses. Contractor shall thoroughly review the basis for appealing the determination, indicating the facts that must be established at the hearing in order that the proper decision be obtained.
- 2.2.7 Unless notified by the County that County personnel will provide hearing representation, Contractor shall arrange for any pre-hearing meetings with affected County staff and/or County witnesses that may be required on the particular case. Contractor shall confirm the date, time and place of the hearing and ensure that all individuals who are to be in attendance at the hearing are aware of same.
- 2.2.8 Contractor shall present County's case at all hearings, unless otherwise notified by the County that County personnel will provide hearing representation.
- 2.2.9 The procedure described above applies to the handling of claims where the original determination is favorable to the claimant. In cases where the initial determination is favorable to the County, the claimant likewise has the opportunity to appeal the determination. In

such cases, Contractor shall receive notice from the EDD regarding the date and time that each hearing is to be conducted. The procedure from that point will be essentially as described above for a hearing resulting from an appeal by the employer.

2.2.10 Adverse hearing decisions shall be reviewed by the Contractor in essentially the same manner as discussed above and if sufficient grounds exist, further appeal action shall be pursued by Contractor in the same manner as described above.

2.2.11 It is understood that all work performed by Contractor shall be in strict compliance with rules and regulations of the EDD and that no service shall be rendered which would constitute the practice of law.

3.0 COST VALIDATION

3.1 EDD will issue quarterly notices of benefit charges assessed to County. The information provided on notices will include identification of the claimant and a statement of the amount of benefits actually paid to each claimant. This information shall be converted to computer processable form by the Contractor and audited so as to ensure that, in each case, benefit payments were made against a valid claim and that the charge is consistent with liability parameters established by Contractor for the claim. On this basis, appropriate error messages shall be generated. In each case of error, Contractor shall pursue the matter with the EDD and obtain the proper financial resolution.

3.2 Contractor shall complete and return all inquiries from the EDD.

3.3 Contractor shall prepare a quarterly report that summarizes the above auditing process and that delineates the amount of reimbursement for which County will be liable.

4.0 RECORD KEEPING

4.1 On-going payroll data: upon receipt of payroll tape from the County, load information onto mainframe and return tape to the County. Wage information is retrieved by social security number. Payroll data is used to verify employment, establish proper internal coding, calculate potential liability and verify benefit changes.

4.2 Employee separation information: After receiving employee separation notice from the County, enter information into computer system.

4.3 Maintain records providing information associated with an employee's account, including but not limited to claim date, reason for separation, claim

status, and any other information necessary for the proper administration of an employee's account.

- 4.4 Maintain backup computer data file.
- 4.5 Provide access to computer backup materials.
- 4.6 Maintain active separation and claim files after three (3) years.
- 4.7 Purge separation and claim files after three (3) years.
- 4.8 Maintain charge statements on an ongoing basis.

5.0 ADMINISTRATION AND MANAGEMENT REPORTS

- 5.1 Prepare prior to January 1, 2004, a manual of tasks, rules, and procedures for operation of the Program, including a description for your employees how all services which you are to provide to clients are to be performed. At least once every year, the TPA shall review the manual and update it if necessary, and shall submit such changes to the County for its review and approval;
- 5.2 Perform any and all administrative functions necessary to ensure the thorough and accurate claim records for each claimant's accounts;
- 5.3 Process employee separation forms;
- 5.4 Review and inform the County of existing program limitations and administrative structures subject to improvement;
- 5.5 Research and resolve with the appropriate County department any discrepancies regarding a claimant's account;
- 5.6 Inform the County of recently enacted laws and regulations and all present or future legislative or other changes which may have an impact upon the Program. Propose any amendments to the Program which may be required by changing conditions, laws or regulations. Work with County legal counsel to evaluate and implement any amendments;
- 5.7 Perform all required functions relating to Federal Unemployment Compensation Amendments of 1976;
- 5.8 Provide a comprehensive report of all claim activity for each calendar quarter with an annual cumulative report for the calendar year. List claims in alphabetic order under each County agency listed in departmental code number (3 digit) order. Some of the items to be included:

- 5.8.1 Claimant: name, social security number, separation date, type and reason,
- 5.8.2 Claim status: Non-protestable, Protestable (favorable, unfavorable or pending decision),
- 5.8.3 Liability: maximum chargeable, removed liability, charges to date, credits, remaining liability;
- 5.8.4 All relevant totals for individuals, agencies and the entire County.
- 5.8.5 Percentages: Protestable to non-protestable claims, win/loss ratios for protests and hearings.
- 5.9 Provide a brief statistical report that summarizes the activity reported above in Section 5.8. Calendar year quarter and annual cumulation to include:
 - 5.9.1 Total claims activity this reporting period.
 - 5.9.2 Initial chargeable liability.
 - 5.9.3 Savings achieved or liability removed from account.
 - 5.9.4 Total number of contested claims.
 - 5.9.5 Total number of non-protestable claims.
 - 5.9.6 Percentage of contested claims to total claims.
 - 5.9.7 Number of protestable claims ruled in your favor.
 - 5.9.8 Number of protestable claims ruled unfavorable.
 - 5.9.9 Number of undecided or pending claims.
 - 5.9.10 Win ratio of claims ruled upon.
 - 5.9.11 Number of hearings attended.
 - 5.9.12 Percentage of hearings to total claims.
 - 5.9.13 Benefit charge credits received.
- 5.10 Provide a brief statistical report that summarizes the activity reported above in Section 5.8. Calendar year quarter and annual cumulation to include:

- 5.10.1 Total claims activity this reporting period.
- 5.10.2 Maximum Liability
- 5.10.3 Liability Remaining
- 5.11 Provide the County with a copy of each EDD quarterly Statement of Reimbursable Benefit Charges (DE-428R) with a cover letter relating to the amount of reimbursement due EDD.
- 5.12 Provide a quarterly and annual report listing for each County agency the total actual unemployment benefit cost for each, with overall County total. For budgetary reasons this report is to be based on the County fiscal year which runs from July 1 to June 30.
- 5.13 Provide a monthly report of the number and disposition of all administrative hearings and appeals. Provide separate totals for telephonic hearings and in-person appearances.
- 5.14 Respond to reasonable requests for ad-hoc reports.
- 5.15 Provide a quarterly news bulletin relating to Unemployment Insurance.
- 5.16 Present to the County an annual audit of the company prepared by an independent certified public accountant.

6.0 DEPARTMENTAL SERVICE

- 6.1 Maintain a core of staff to provide information and services directly to County departments;
- 6.2 Offer a toll-free telephone line for departmental representatives to use for processing a claim by telephone, and asking any questions.
- 6.3 At the request of a departmental representative, review and explain a claimant's account. If unavailable at the time of a phone call, the TPA shall call back a departmental representative on the next business day;
- 6.4 Provide special services for unique or emergent situations.

7.0 CONDUCTING SEMINARS

- 7.1 Provide lecture-workshop training sessions for County staff as training needs are identified. Information will include but is not limited to:
 - 7.1.1 Overview of the federal-state unemployment insurance system.

- 7.1.2 Main provisions of unemployment insurance law including explanation of California eligibility requirements.
- 7.1.3 The roles and responsibilities of the County and the EDD.
- 7.1.4 Management techniques that reduce unemployment insurance costs.

8.0 TRAINING COUNTY HEARING REPRESENTATIVES

- 8.1 Provide training for up to six (6) County employees as hearing representatives, not to exceed eight (8) hours of training.

9.0. TRANSITION RESPONSIBILITIES UPON TERMINATION

- 9.1 Upon termination of the contract, the TPA shall cooperate with the County to the end stated effective date of the termination in an orderly transfer of administrative responsibilities and records to the County or its representatives. Specifically, the TPA will provide the same information and services as stated in this Part.
- 9.2 In the event that the County elects not to renew this contract at the end of its term, or otherwise terminates the contract for default, convenience or insolvency, the TPA agrees to cooperate in the transition to the new TPA in accordance with the following terms:
 - 9.2.1 In the event the County elects to contract with a new Third Party Administrator, the TPA will fully cooperate with the County and the new TPA in making the transition. The TPA will provide documents and computer files as described in this Section A and generally assist the New TPA and the County in learning the content of such documents and files, or otherwise as will be mutually agreed upon between the TPA and the County.
 - 9.2.1.1 Data requirements of the County to effect this transition/conversion to a new TPA include, but are not limited to the following. File descriptions and narratives for all input and output files as will be mutually agreed to between the TPA and the County will be made available. The TPA agrees to provide, in hard copy and in easily transferable computerized format, all information that resides in the TPA's computer files relating to County claimant accounts, including claimant account history, that the County reasonably requires for the transition and for the permanent records of the County.

9.2.1.2 Sub-contracted procedures or third-party agreements shall be fully documented by the TPA.

9.2.2 In the event the County elects to perform the administrator function itself, the TPA shall provide duplicate computer systems, programs and data files to the County for the proper administration of the Program until such time as the County shall secure or acquire computer systems and programs to perform the administration itself, provided however, the right to use the TPA's systems, programs and related documentation shall exist for a period not to exceed twelve (12) calendar months following termination of this contract, and provided further that such programs shall continue to be the property of the TPA and the County shall not permit any other utilization of such systems and programs. The TPA shall also train and otherwise assist any County personnel in operating the computer systems. Hourly fees and non-labor expenses will be charged at commercially reasonable rates to the County for the TPA's assistance in training and assisting County personnel in operating the system, and for developing and providing any and all systems, programs, file documentation and operating procedures requested by the County in connection with the use of the TPA's computer systems and programs.

10.0 REPORTS AND INFORMATION UPON TERMINATION

10.1 In the event that this contract is terminated or is not renewed after the stated contract term, and without regard to whether a new TPA is selected or the County elects to assume Program administration directly, the following account related materials, services and/or data will be provided by the TPA to the County;

10.1.1 Complete final administrative and management reports for the Program including the latest activity by each claimant as specified in this Part.

10.1.2 A listing of any items requiring adjustments/correction as of the "close-out" date.

11.0 UIP ACCOUNT NUMBER

EDD issued a new account number (932-0440-2) for County UI claims, effective January 1, 1997.

11.1 Contractor's records and reports shall reflect the account number and claims activity of each of the County agencies.

12.0 PERFORMANCE REQUIREMENTS SUMMARY

All listings of services used in the Performance Requirements Summary (PRS) are intended to be completely consistent with the Contract and the Statement of Work, and are not meant in any case to create, extend, revise, or expand any obligation of Contractor beyond that defined in the Contract and the Statement of Work. In any case of apparent inconsistency between services as stated in the Contract and the Statement of Work and this PRS, the meaning apparent in the Contract and the Statement of Work will prevail. If any service seems to be created in this PRS which is not clearly and forthrightly set forth in the Contract and the Statement of Work, that apparent service will be null and void and place no requirement on Contractor.

When the Contractor's performance does not conform with the requirements of this Contract, the County will have the option to apply the following non-performance remedies:

- * Require Contractor to implement a formal corrective action plan, subject to approval by the County. In the plan, the Contractor must include reasons for the unacceptable performance, specific steps to return performance to an acceptable level, and monitoring methods to prevent recurrence.
- * Reduce payment to Contractor by a computed amount based on the penalty fee(s) in the PRS.
- * Reduce, suspend or cancel this Contract for systematic, deliberate misrepresentations or unacceptable levels of performance.
- * Failure of the Contractor to comply with or satisfy the request(s) for improvement of performance or to perform the neglected work specified within ten (10) days shall constitute authorization for the County to have the service(s) performed by others. The entire cost of such work performed by others as a consequence of the Contractor's failure to perform said service(s), as determined by the County, shall be credited to the County on the Contractor's future invoice.

This section does not preclude the County's right to terminate the contract upon ten (10) days written notice with or without cause, as provided for in the Contract, Paragraph 36.0, Termination for Convenience.

EXHIBIT B**FEE SCHEDULE**

Employer's Unity, Inc., quotes their service fee as a flat fee. Fees are primarily quoted based on claims and hearing activity. The fee is calculated based on an internal costing model. However, the following represents the basic costs associated with managing the County of Los Angeles' Unemployment Insurance Cost Control Program.

Claims Specialist	600 hrs @ \$15.00 per hour	=	\$ 9,000.00
Hearing Representative	200 hrs @ \$25.00 per hour	=	\$ 5,000.00
Charge Auditor	40 hrs @ \$15.00 per hour	=	\$ 600.00
Report Auditor	32 hrs @ \$15.00 per hour	=	\$ 480.00
Account Manager	40 hrs @ \$30.00 per hour	=	\$ 1,200.00
			\$16,280.00
Overhead	Factor 1.40 x 16,280	=	\$22,792.00
Profit Margin	10% x 22,792	=	\$ 2,280.00
	TOTAL FEE		\$25,072.00

CONTRACT FOR

Unemployment Insurance Claims Administration

SERVICES

**CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT,
CONFIDENTIALITY,
AND COPYRIGHT ASSIGNMENT AGREEMENT**

*(any reference to Copyright Assignment would apply to
Information Technology Contracts only)*

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

CONTRACTOR NAME Employer's Unity, Inc

Contract No. _____

Employee Name Jason Hynek

GENERAL INFORMATION:

Your employer referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Employee Acknowledgement, Confidentiality, and Copyright Assignment Agreement.

EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above is my sole employer for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon my employer for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by my employer for the County. I have read this agreement and have taken due time to consider it prior to signing.

Contractor Name Employer's Unity, Inc. Contract No. _____

Employee Name Jason Hynek

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between my employer and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to my immediate supervisor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than my employer or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me during this employment, I shall keep such information confidential.

I agree to report to my immediate supervisor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this contract or termination of my employment with my employer, whichever occurs first.

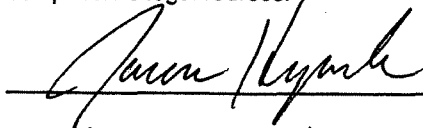
COPYRIGHT ASSIGNMENT AGREEMENT

I agree that all materials, documents, software programs and documentation, written designs, plans, diagrams, reports, software development tools and aids, diagnostic aids, computer processable media, source codes, object codes, conversion aids, training documentation and aids, and other information and/or tools of all types, developed or acquired by me in whole or in part pursuant to the above referenced contract, and all works based thereon, incorporated therein, or derived therefrom shall be the sole property of the County. In this connection, I hereby assign and transfer to the County in perpetuity for all purposes all my right, title, and interest in and to all such items, including, but not limited to, all unrestricted and exclusive copyrights, patent rights, trade secret rights, and all renewals and extensions thereof. Whenever requested by the County, I agree to promptly execute and deliver to County all papers, instruments, and other documents requested by the County, and to promptly perform all other acts requested by the County to carry out the terms of this agreement, including, but not limited to, executing an assignment and transfer of copyright in a form substantially similar to Exhibit H1, attached hereto and incorporated herein by reference.

The County shall have the right to register all copyrights in the name of the County of Los Angeles and shall have the right to assign, license, or otherwise transfer any and all of the County's right, title, and interest, including, but not limited to, copyrights, in and to the items described above.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____



DATE: 10 / 3 / 05

PRINTED NAME: _____

JASON HYNEK

POSITION: _____

VICE PRESIDENT

CONTRACT FOR

SERVICES

CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT,
CONFIDENTIALITY, AND COPYRIGHT ASSIGNMENT AGREEMENT
(any reference to Copyright Assignment would apply to
Information Technology Contracts only)

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

CONTRACTOR NAME _____

Contract No. _____

Non-Employee Name _____

GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Non-Employee Acknowledgement, Confidentiality, and Copyright Assignment Agreement.

NON-EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above has exclusive control for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon the Contractor referenced above for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by the above-referenced Contractor for the County. I have read this agreement and have taken due time to consider it prior to signing.

Initials of Signer _____

Contractor Name _____ Contract No. _____

Non-Employee Name _____

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between the above-referenced Contractor and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to the above-referenced Contractor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information, and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than the above-referenced Contractor or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me, I shall keep such information confidential.

I agree to report to the above-referenced Contractor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to the above-referenced Contractor upon completion of this contract or termination of my services hereunder, whichever occurs first.

COPYRIGHT ASSIGNMENT AGREEMENT

I agree that all materials, documents, software programs and documentation, written designs, plans, diagrams, reports, software development tools and aids, diagnostic aids, computer processable media, source codes, object codes, conversion aids, training documentation and aids, and other information and/or tools of all types, developed or acquired by me in whole or in part pursuant to the above referenced contract, and all works based thereon, incorporated therein, or derived therefrom shall be the sole property of the County. In this connection, I hereby assign and transfer to the County in perpetuity for all purposes all my right, title, and interest in and to all such items, including, but not limited to, all unrestricted and exclusive copyrights, patent rights, trade secret rights, and all renewals and extensions thereof. Whenever requested by the County, I agree to promptly execute and deliver to County all papers, instruments, and other documents requested by the County and to promptly perform all other acts requested by the County to carry out the terms of this agreement, including, but not limited to, executing an assignment and transfer of copyright in a form substantially similar to Exhibit H1, attached hereto and incorporated herein by reference.

The County shall have the right to register all copyrights in the name of the County of Los Angeles and shall have the right to assign, license, or otherwise transfer any and all of the County's right, title, and interest, including, but not limited to, copyrights, in and to the items described above.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____ DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

CONTRACTOR'S EEO CERTIFICATION

Employer's Unity, Inc.
 Contractor Name
 10330 Pioneer Boulevard, Suite 283, Santa Fe Springs, California 90670
 Address
 84-074-2497
 Internal Revenue Service Employer Identification Number

GENERAL CERTIFICATION

In accordance with Section 4.32.010 of the Code of the County of Los Angeles, the contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CONTRACTOR'S SPECIFIC CERTIFICATIONS

1. The Contractor has a written policy statement prohibiting discrimination in all phases of employment. Yes ☒ No ☐
2. The Contractor periodically conducts a self analysis or utilization analysis of its work force. Yes ☒ No ☐
3. The Contractor has a system for determining if its employment practices are discriminatory against protected groups. Yes ☒ No ☐
4. Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables. Yes ☒ No ☐

JASON HYNEK VICE PRESIDENT
 Authorized Official's Printed Name and Title
 Jason Hynek
 Authorized Official's Signature
 10-3-03
 Date

COUNTY'S ADMINISTRATION

CONTRACT NO. _____

COUNTY PROJECT DIRECTOR:Name: Marian HallTitle: Chief, Employee Benefits DivisionAddress: 3333 Wilshire Blvd, Suite 1000
Los Angeles, CA 90010Telephone: 213.738.2255 Facsimile: 213.637.0820E-Mail Address: mlhall@dhr.co.la.ca.us**COUNTY PROJECT MANAGER:**Name: James P. RossTitle: Principal Human Resources AnalystAddress: 3333 Wilshire Blvd, Suite 1000
Los Angeles, CA 90010Telephone: 213.738.2284 Facsimile: 213.637.0820E-Mail Address: jross@dhr.co.la.ca.us**COUNTY CONTRACT PROJECT MONITOR:**Name: James P. RossTitle: Principal Human Resources AnalystAddress: 3333 Wilshire Blvd, Suite 1000
Los Angeles, CA 90010Telephone: 213.738.2284 Facsimile: 213.637.0820E-Mail Address: jross@dhr.co.la.ca.us

CONTRACTOR'S ADMINISTRATIONCONTRACTOR'S NAME EMPLOYER'S UNITY, INC.

Contract Number: _____

CONTRACTOR'S PROJECT MANAGER:

Name: Jason HynekTitle: Vice PresidentAddress: 10330 Pioneer Boulevard, Suite 283
Santa Fe Springs, California 90670Telephone: 800 443-3959 Facsimile: 303 552-3173E-Mail Address: j.hynek@empunity.com

CONTRACTOR'S AUTHORIZED OFFICIAL(S):

Name: Jason HynekTitle: Vice PresidentAddress: 10330 Pioneer Boulevard, Suite 283
Santa Fe Springs, California 90670Telephone: 800 443-3959 Facsimile: 303 552-3173E-Mail Address: j.hynek@empunity.com

Name: _____

Title: _____

Address: _____

Telephone: _____ Facsimile: _____

E-Mail Address: _____

Certainly we would prefer that women seek help while they are pregnant, not after giving birth, to receive proper medical care and counseling. But at the same time, we want to assure parents who choose not to keep their baby that they will not go to jail if they deliver their babies to safe hands in a hospital emergency room.

**The California Safe
Surrendered Baby Law:**

Allows a distressed birth parent(s) to legally, confidentially, and safely surrender their baby

Provides a safe place for babies

Protects the parent(s) from arrest or prosecution for abandonment as long as the baby has not been abused or neglected

Does not require that names be given when the baby is surrendered

Permits parents to bring a baby within 3 days of birth to any hospital emergency room in California

**In California, no one ever
has to abandon a child again.**

**no shame.
no blame.
no names.**

**now there's a way
to safely surrender
your baby**



State of California
Gray Davis, Governor
Health and Human Services Agency
Crandall Johnson, Secretary
Department of Social Services
Ella Saenz, Director

JUL 400 0 021



EXHIBIT G

It's a new law. Under this law, a person may surrender their baby confidentially. As long as the baby has not been abused or neglected, the person may do so without fear of arrest or prosecution.

A distressed parent who is unable or unwilling to care for an infant can legally, confidentially and safely surrender their baby within 3 days of birth. All that is required is that the baby be brought to a hospital emergency room in California. If there are additional places, they will be listed on the back of this brochure. As long as the child shows no signs of abuse or neglect, no name or other information is required. A bracelet will be placed on the baby for identification. A matching bracelet will be given to the parent. The bracelet will help connect the parent to the baby if the parent wants the baby back.

In most cases, a parent will bring in the baby. The law allows another person to bring in the baby if they have legal custody.

No. A parent can bring in a baby anytime, 24 hours a day, 7 days a week.

No. Nothing is required. However, hospital personnel will give the parent a medical information questionnaire that is designed to gather family medical history. This could be very useful in caring for the child but it is up to the parent to complete it.

The baby will be examined and given medical treatment, if needed. Then the baby will be placed in a foster or pre-adoptive home.

Once the parent(s) has safely turned over the baby, they are free to go.

The parent(s) may take the bracelet back to the hospital. Hospital personnel will provide information about the baby.

The purpose of the Safely Surrendered Baby Law is to protect babies from being hurt or killed because they were abandoned.

You may have heard tragic stories of babies left in dumpsters or public toilets. The persons who committed these acts may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had nowhere to turn for help, they abandoned their infants.

Abandoning a baby puts the child in extreme danger. It is also illegal. Too often, it results in the baby's death. Because of the Safely Surrendered Baby Law, this tragedy doesn't ever have to happen in California again.

At 8:30 a.m. on Thursday, July 25, 2002, a healthy newborn baby was brought to St. Bernardine Medical Center in San Bernardino under the provisions of the California Safely Surrendered Baby Law.

This baby was the eighteenth child protected under California's Safely Surrendered Baby Law. As the law states, the baby's mother did not have to identify herself. When the baby was brought to the emergency room, he was examined by a pediatrician, who determined that the baby was healthy and doing fine. He was placed in a foster home for short-term care while the adoption process was started.

Los Angeles County

Safely

Surrendered

Baby

Hotline



~~(877) BABY SAFE~~

Toll Free ~~(877) 222-9723~~

- Call for Information on How to Safely Surrender a Newborn Infant Under the Safely Surrendered Baby Law
- Referrals Provided to Designated Safe Haven Sites
- Referrals Provided to Other Support Services

- **Guaranteed Confidentiality**
- **7 Days a Week**
- **24 Hours a Day**
- **English and Spanish and 140 Other Languages Spoken**



INFO LINE of Los Angeles has been in business since 1981.
INFO LINE of Los Angeles is an AIFS accredited agency.

Calls from the media should be directed to Thelma Bell or Michele Yeager at (626) 350-1641.